

State of Alaska FY2003 Governor's Operating Budget

Department of Transportation/Public Facilities Reservations and Marketing Component Budget Summary

Component: Reservations and Marketing

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Component Mission

To provide the best possible service to Alaska Marine Highway System (AMHS) customers and potential customers, increase awareness and interest in the system and ensure all requests for information, reservations, and tickets are answered and processed effectively.

Component Services Provided

The Reservations and Marketing section provides information, reservation and ticketing services for Alaskans and visitors considering travel aboard the Alaska Marine Highway System. The ability to generate interest in the AMHS and respond to inquiries has a direct impact on the number of travelers who choose to travel by ferry and on the revenues generated by the System. Through staff in Anchorage and Juneau we provide:

- Oral and written responses to over 200,000 telephone requests for information, reservations, or tickets each year, and more than 6,000 faxed requests.
- Responses to an increasing number of e-mail and Internet inquiries.
- Responses to over 7,000 Internet reservation requests.
- Expert assistance for customers with special needs, i.e. youth groups, tour groups, persons with disabilities, commercial companies, military, and travel agents.
- Policy, procedure, and computer training for shoreside staff, including terminals and other system personnel.
- Collection of additional passenger information as required by USCG for greater security.
- Management of computerized schedules, space availability, and tariffs. The Marketing unit creates and distributes approximately 150,000 AMHS printed schedules.
- Works with Alaska communities and ports served directly and indirectly
- Meets with the travel trade (travel agents, tour operators/wholesalers) and responds to their AMHS informational requests as they relate to their clients.
- Marketing meets with other user groups such as freight shippers and coordinates advertising and promotional campaigns.

Component Goals and Strategies

- To provide fast, efficient reservation services.
- Reduce the average length of incoming telephone calls by encouraging the public to use the AMHS website for obtaining general information currently being provided by customer service agents.
- Reduce the average "wait-time" for incoming calls by routing an appropriate number to off-site terminal personnel during peak booking periods.
- Provide convenient "on-line" schedule information by enhancing features of our current website and integrating it with our reservations system, RMS3.
- Reduce staff turnover by providing employees with improved tools, training and potential "career paths".
- Increasing revenues through utilization of information and recommendations in the Alaska Marine Highway Marketing and Pricing Study developed by the McDowell Group.
- Increase awareness of the AMHS through increased targeted advertising, direct mail, public and press relations, trade show attendance and association memberships both instate and nationally.
- Increase the distribution of schedules as a planning tool from 20,000 per issue to 40,000 per issue.
- Create new community/Alaska partnerships including tradeshow/advertising co-ops and special promotions for each region. This includes designating the Marine Highway as an "All American Road" and establishing the Southeast Alaska trail System (Sea Trails).

Key Component Issues for FY2002 – 2003

The Department is always looking at ways to improve the efficiency of the AMHS reservations process. Changes to the

Reservations Management System (RMS3) computerized reservation system have been identified that can reduce the time required generating or modifying reservations. A new Online Reservation System is being developed that will use technology to allow customers to make and pay for reservations via the AMHS website. The Department is seeking a downtown Juneau location to provide more convenient on-site reservation and ticketing services to the traveling public. And finally, an emphasis on the recruitment and training of seasonal employees is critical to customer assistance during the peak reservation season.

To assist the Department in generating more revenues to support the AMHS, new marketing strategies are being developed. To promote the use of the AMHS website, web specials will be offered. The Department is identifying computer system changes needed to gather additional passenger information that will help plan additional marketing efforts. And as part of the marketing/revenue generating strategies, continuous analysis is necessary to assure peak season passenger, vehicle and cabin tariffs are what the market will bear.

Major Component Accomplishments in 2001

The Reservations Management System (RMS3) was reprogrammed to improve processing time.

- A Call Wait Announcer System has been installed to give accurate wait-time feedback automatically to all callers on AMHS reservation lines, and to provide important information while callers are waiting.
- A new reservations building was constructed to house the Juneau Reservations and Ticket office and to provide a more convenient location and greater accessibility for the public and employees.
- A full time marketing manager was hired to reach out to prime markets and generate greater revenues through selected promotions and more effective advertisement.
- Cooperative marketing efforts allowed the AMHS to leverage minimal marketing funds to provide maximum public awareness of the system.
- The fall-winter-spring schedule and the summer schedule were produced at no cost to the state and a PFD special was offered for travel onboard the AMHS.

Statutory and Regulatory Authority

AS 19

AS 44

Reservations and Marketing

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,134.6	1,078.2	1,109.2
72000 Travel	15.6	30.8	30.8
73000 Contractual	720.0	958.9	958.9
74000 Supplies	40.2	22.7	22.7
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,910.4	2,090.6	2,121.6
Funding Sources:			
1076 Marine Highway System Fund	1,910.4	2,090.6	2,121.6
Funding Totals	1,910.4	2,090.6	2,121.6

Reservations and Marketing**Proposed Changes in Levels of Service for FY2003**

No service level changes are planned for the FY03 budget.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	0.0	2,090.6	2,090.6
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	31.0	31.0
FY2003 Governor	0.0	0.0	2,121.6	2,121.6

Reservations and Marketing

Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	15	15	Annual Salaries	789,340
Part-time	11	11	COLA	17,355
Nonpermanent	0	0	Premium Pay	5,637
			Annual Benefits	338,528
			<i>Less 3.62% Vacancy Factor</i>	(41,660)
			Lump Sum Premium Pay	0
Totals	26	26	Total Personal Services	1,109,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	0	15	0	17
Administrative Clerk III	0	0	1	0	1
Administrative Supervisor	0	0	1	0	1
Ferry Services Mngr I	0	0	1	0	1
Ferry Services Mngr III	0	0	1	0	1
Marine Traffic Manager	0	0	1	0	1
Publications Spec II	0	0	1	0	1
Reservations Specialist	1	0	2	0	3
Totals	3	0	23	0	26